

VZCZCXRO1507
OO RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHGO #0645/01 1930518
ZNY CCCCC ZZH
O 120518Z JUL 07
FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6244
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 1455
RUEHBY/AMEMBASSY CANBERRA 0370
RUEHKA/AMEMBASSY DHAKA 4562
RUEHLO/AMEMBASSY LONDON 1962
RUEHNE/AMEMBASSY NEW DELHI 3917
RUEHUL/AMEMBASSY SEOUL 7465
RUEHTC/AMEMBASSY THE HAGUE 0626
RUEHKO/AMEMBASSY TOKYO 5018
RUEHCN/AMCONSUL CHENGDU 1148
RUDKIA/AMCONSUL CHIANG MAI 1009
RUEHCI/AMCONSUL KOLKATA 0011
RUEATRS/DEPT OF TREASURY WASHDC
RUEHGV/USMISSION GENEVA 3180
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 0826
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000645

SIPDIS

SIPDIS

C O R R E C T E D C O P Y (paras 1, 5, 7 & 9)
Please destroy all previous copies Rangoon 645

STATE FOR EAP/MLS;
PACOM FOR FPA
TREASURY FOR OASIA: SCHUN

E.O. 12958: DECL: 09/21/2016
TAGS: [ECON](#) [PGOV](#) [BM](#)
SUBJECT: BURMA: KEY REGIME CRONY LIKELY TO BUILD DEEP SEA
PORT

REF: A. A: 06 RANGOON 0762
[1](#)B. B: 06 RANGOON BM1473
[1](#)C. C: 06 RANGOON 1704
[1](#)D. D: RANGOON 0313
[1](#)E. E: RANGOON 0600

RANGOON 00000645 001.4 OF 003

Classified By: P/E Chief LHAYDEN for Reason 1.4 (b,d)

[1](#)1. (C) Summary: Tun Myint Naing aka Steven Law of Asia World Co. Ltd. has emerged as a key regime crony running one of Burma's most powerful business conglomerates. Local reports that Asia World has won the right to build a deep sea port at Kyauk Phyu in Rakhine State appear premature. However, Asia World will likely take the lead in constructing the port. Asia World is also likely to play an important role in the future construction of a natural gas pipeline, crude oil pipeline, and highway that would create a strategically valuable link between China and the Bay of Bengal.
End Summary.

Asia World Ltd.: Past and Current Projects

[1](#)2. (SBU) The Asia World Co. was founded in 1992 with strong financial backing and a broad platform of business activities. The company now operates its own deep-sea port in Rangoon on a 30-year land lease from the GOB. Constructed in 1996 and equipped with container-handling facilities in 2001, the Asia World Port handles 40 percent of the country's container traffic. Asia World also constructed and now

operates the 208-mile-long toll road that runs from Lashio in central Burma to Muse on the Burma-China border. The road serves as a primary trade conduit between Burma and China. Asia World collects a 2200 kyat toll (USD 1.75) and splits profits with the GOB (ref A). When the GOB moved the administrative capitol from Rangoon to Nay Pyi Daw, the government gave a multitude of construction contracts to Asia World, including roads, ministry buildings, and hotels.

13. (SBU) Asia World has also just completed construction on the new USD 13.3 million terminal at Rangoon Airport. The construction of the 20-story Hledan Center Condominiums five miles from the airport is underway, and Asia World is building the majority of the new Rangoon-Mandalay highway. The GOB had originally divided the project into five sections to be built by five different companies. Asia World was given two of the five sections. A third section was later taken away from another company and given to Asia World. In addition, Asia World operates a mini market chain in Burma and has begun producing laminated woven bags.

U Tun Myint Naing aka Steven Law

14. (C) Contacts who know Tun Myint Naing describe him as capable, likeable and soft-spoken. In his late forties, Tun Myint Naing has always tried to keep himself and his company out of the limelight. Said to have an excellent personal relationship with the GOB senior generals, some sources told us he can get any Cabinet member on the phone without trouble. He has accompanied Senior General Than Shwe on trips to China, and dignitaries who have visited GOB officials in Nay Pyi Daw often stay in his hotels (ref B).

15. (SBU) Speculative links between Tun Myint Naing and the drug trade are born out of links with his father, Lo Hsing Han, an ethnic Chinese from the opium-producing Kokang region

RANGOON 00000645 002.4 OF 003

and a notorious drug lord. Lo Hsing Han is the Chairman of Asia World and reportedly guides his son to maintain the company's reputation and credibility. Asia World operates highway passenger and cargo transportation services from Rangoon to northern Burma. Many speculate Tun Myint Naing also uses the transportation services for drug trafficking.

16. (C) Cecilia Ng aka Ng Seng Hong, Tun Myint Naing's Singaporean wife of 12 years, also has links to illicit business. Dr. Nay Win Maung, CEO of the local journal, "The Voice," (PROTECT) told us that Cecelia Ng operated an underground foreign exchange remitting system between Burma and Singapore. Though he said she stopped the operation after Asia World became successful, other sources said they believe she still operates three "overseas branch companies" for Asia World in Singapore. Some speculate she uses the overseas branches to channel drug money out of Burma, although U Soe Win, former representative to Price Waterhouse Cooper and managing director of Myanmar Vigor Consulting Co. (PROTECT), insisted there were no known links between her overseas companies and Asia World.

Shwe Natural Gas Fields and the Road to China

17. (C) After months of speculation, the Burmese government has given the rights to extract natural gas from the Shwe Offshore Fields to China (ref C, D, E). The next step is the construction a natural gas pipeline from the Shwe fields to Kunming, China. Many believe the pipeline will be a part of a parallel development project which would include a crude oil pipeline, a new highway, and a deep sea port at Kyauk Phyu on Rambree Island, off the coast of Rakhine State. During his last visit to China on June 5-10, Secretary-1 Thein Sein signed a number of MoU's with China launching feasibility studies regarding these projects (ref E).

¶8. (C) Local weekly journal "The Voice" recently reported that the GOB awarded Asia World the contract to build the deep sea port at Kyauk Phyu. We spoke to Dr. Nay Win Maung, the CEO of The Voice, and he expressed confidence the reporting was correct. U Soe Win echoed his confidence that Asia World did indeed get the contract, despite the lack of an official announcement. However, attempts to confirm this information with Myanma Port Authority officials were unsuccessful. Discrepancies regarding the exact location of the port and the water depths at Kyauk Phyu suggest that even if Asia World does have plans to build the port, construction would take a long time. A Port Authority official speculated Asia World might only construct an oil and gas terminal rather than a full-scale commercial port.

¶9. (C) The Dr. Nay Win Maung said the Chinese plan to build the pipelines along the now overgrown China-Burma Road built by U.S. General Stilwell during World War II. He said China insisted that the road be modernized and expanded if the pipeline were to be built. Observers believe that, if built, the deep-sea port, crude oil pipeline, and new highway would be of greater strategic value to China than access to the Shwe natural gas fields. They would provide a high-capacity trade conduit from the Middle East that bypasses the Straits of Malacca. Dr. Nay Win Maung speculated that Asia World would likely be involved in the construction of several aspects of these development projects.

¶10. (C) Dr. Nay Win Maung and U Soe Win each emphasized that the GOB might not be as enthusiastic about these development

RANGOON 00000645 003.4 OF 003

projects as they publicly appear. Business contacts share a growing concern surrounding China's increasing influence in Burma. The construction of a major trade conduit for China through Burma would only strengthen and broaden an already visible Chinese presence throughout Burma.

¶11. (C) The GOB's possible hesitation, however, only increases the significance of Tun Myint Naing and Asia World. Dr. Nay Win Maung said that Tun Myint Naing has consistently profited by facilitating business agreements between Chinese companies and the GOB. He speaks Chinese fluently. Tun Myint Naing appears to have gained more influence over time, as his father recedes into the background.

¶12. (C) Comment: Whatever the current extent of his involvement in the drug trade and other illicit activities, Tun Myint Naing must be considered the most powerful businessman in Burma, alongside Tay Za. Tun Myint Naing's increasing identification with the Chinese in Burma puts him at risk as a target of a popular backlash as Burmese increasingly complain of the "sinoization" of their country. The Burmese are seeing their natural resources plundered by their neighbor to the North, while the profits go into the pockets of the generals and their cronies, and the people get nothing. End Comment.
VILLAROSA